Manitoba Employee Pensions and Other Costs

Supplementary Information for Legislative Review

2010-2011 Departmental Expenditure Estimates

Manitoba

EMPLOYEE PENSIONS AND OTHER COSTS

SUPPLEMENTARY INFORMATION

FOR

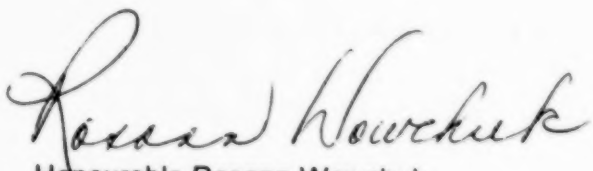
LEGISLATIVE REVIEW

2010-2011 EXPENDITURE ESTIMATES

PREFACE

This document, produced by the Department of Finance, is intended to provide additional information to the members of the Legislature in their review of information on Employee Pensions and Other Costs contained in the Estimates of Expenditure for the fiscal year ending March 31, 2011.

The contents of this supplement are organized into three parts. The first part provides an overview of Employee Pensions and Other Costs 2010/11 Estimates of Expenditure. The second part provides financial information, including details for each of the programs, while part three provides historical information. It is hoped that it will provide meaningful additional information and that it will meet the needs of the users of the information. I welcome feedback as to the usefulness of this supplementary information.



Honourable Rosann Wowchuk
Minister of Finance

INDEX

Page

PART 1 **DEPARTMENTAL OVERVIEW**

General Information

Overview 3
Schedule 1 - Expenditure Summary by Appropriation 4
Schedule 2 - Expenditure Summary by Sub-Appropriation 5

PART 2 **PROGRAM AND FINANCIAL INFORMATION**

Employee Pensions and Other Costs 9

PART 3 **HISTORICAL INFORMATION**

Departmental Comparison 2006/07 - 2010/11

Schedule 3 - Five Year Expenditure Summary by Sub-Appropriation 17
Chart 1 - Five Year Expenditure History 18

PART 1

DEPARTMENTAL OVERVIEW

EMPLOYEE PENSIONS AND OTHER COSTS

MINISTER

Honourable Rosann Wowchuk

SECRETARY TO TREASURY BOARD

Tannis Mindell

OVERVIEW

The Benefits Administration Branch of Labour Relations Division, Treasury Board Secretariat, is responsible for providing central administrative services for government-wide employee benefits and insurance programs in accordance with collective agreements, legislation and personnel policies. Negotiated plans include the Ambulance and Hospital Semi-Private (AHSP), Dental, Vision Care, Prescription Drug and Long Term Disability plans as well as the Health Spending Account. The branch manages the chargeback and recovery of workers compensation costs from government departments and agencies and compiles financial information for statutory benefit and insurance programs including the Civil Service Superannuation Plan, Canada Pension Plan, Group Life Insurance, Employment Insurance and the Levy for Health and Post-Secondary Education.

Provisions for premium-based benefits such as Canada Pension Plan and Employment Insurance have been adjusted to reflect changes in premium rates and maximum insurable earning levels, where applicable. Provisions for self-insured benefits, such as long term disability and dental, have been adjusted for anticipated changes in volume as well as changes in eligible expense coverage negotiated as part of existing collective agreements, where applicable. These costs will be recovered from departments.

SCHEDULE 1

EMPLOYEE PENSIONS AND OTHER COSTS
EXPENDITURE SUMMARY
BY APPROPRIATION

		Estimates of Expenditure 2010/11 $(000s)	Change From 2009/10 %	Estimates of Expenditure 2009/10 $(000s)*
1	Employee Pensions and Other Costs	**18,060**	19.4	15,124
TOTAL APPROPRIATIONS FOR EMPLOYEE PENSIONS AND OTHER COSTS		**18,060**	19.4	15,124

***Reconciliation Statement**
$(000s)

Printed Estimates of Expenditure 2009/10	15,124
Estimates of Expenditure 2009/10 (Adjusted)	15,124

SCHEDULE 2

EMPLOYEE PENSIONS AND OTHER COSTS
EXPENDITURE SUMMARY
BY SUB-APPROPRIATION

	ESTIMATES OF EXPENDITURE 2010/11 $(000s)		ESTIMATES OF EXPENDITURE 2009/10 $(000s)	
Civil Service Superannuation Plan:				
Pension Related Costs	**69,850**		66,701	
Less: Recoverable from other appropriations	**(62,071)**		(59,067)	
Subtotal		**7,779**		7,634
Other Salary Related Benefits		**10,266**		7,475
Workers Compensation Board:				
Assessments re: Accidents to Government Employees	**5,704**		4,875	
Less: Recoverable from other appropriations	**(5,689)**		(4,860)	
Subtotal		**15**		15
Canada Pension Plan	**33,775**		32,971	
Employment Insurance Plan	**15,892**		15,293	
Civil Service Group Life Insurance Plan	**2,220**		2,109	
Dental Plan	**8,494**		8,472	
Vision Care	**1,200**		1,201	
Prescription Drug Plan	**3,533**		3,660	
Ambulance and Hospital Semi-Private Plan	**216**		205	
Long Term Disability Plan	**5,387**		5,361	
Levy for Health and Post-Secondary Education	**21,274**		19,818	
Health Spending Account	**2,624**		1,887	
Subtotal		**94,615**		90,977
Less: Recoverable from other appropriations		**(94,615)**		(90,977)
TOTAL FOR EMPLOYEE PENSIONS AND OTHER COSTS		**18,060**		15,124

PART 2

PROGRAM AND FINANCIAL INFORMATION

Res. No.	Approp. No.	Employee Pensions and Other Costs (6) Details of Appropriation	**Estimates of Expenditure 2010/11 $(000s)**	Estimates of Expenditure 2009/10 $(000s)
6.1	1.	EMPLOYEE PENSIONS AND OTHER COSTS	**18,060**	15,124
		Provides for the cost of various payments related to employees, including: the employer's share of current service contributions; severance and separation pay liability; and other payments by the government as an employer.		
		(a) Civil Service Superannuation Plan		
		(1) Pension Related Costs	**69,850**	66,701
		(2) Less: Recoverable from other appropriations	**(62,071)**	(59,067)
		Subtotal (a)	**7,779**	7,634
		(b) Other Salary Related Benefits	**10,266**	7,475
		(c) Workers Compensation Board		
		(1) Assessments re: Accidents to Government Employees	**5,704**	4,875
		(2) Less: Recoverable from other appropriations	**(5,689)**	(4,860)
		Subtotal (c)	**15**	15
		Subtotal (a) to (c)	**18,060**	15,124
		(d) Canada Pension Plan	**33,775**	32,971
		(e) Employment Insurance Plan	**15,892**	15,293
		(f) Civil Service Group Life Insurance	**2,220**	2,109
		(g) Dental Plan	**8,494**	8,472
		(h) Vision Care	**1,200**	1,201
		(i) Prescription Drug Plan	**3,533**	3,660
		(j) Ambulance and Hospital Semi-Private Plan	**216**	205
		(k) Long Term Disability Plan	**5,387**	5,361
		(l) Levy for Health and Post-Secondary Education	**21,274**	19,818
		(m) Health Spending Account	**2,624**	1,887
		Subtotal (d) to (m)	**94,615**	90,977
		(n) Less: Recoverable from other appropriations	**(94,615)**	(90,977)
		TOTAL APPROPRIATIONS FOR EMPLOYEE PENSIONS AND OTHER COSTS	**18,060**	15,124

	Estimates of Expenditure 2010/11 $(000s)	Estimates of Expenditure 2009/10 $(000s)
CIVIL SERVICE SUPERANNUATION PLAN		
Pension Related Costs	**69,850**	66,701
Less: Recoverable from other appropriations	**(62,071)**	(59,067)
	7,779	7,634
Provides for the employer portion of current service contributions and other costs associated with administration of the plan.		
The current service contributions are recovered from other departments with respect to their employees.		
OTHER SALARY RELATED BENEFITS	**10,266**	7,475
Provides for the annual increase/decrease in the liabilities for severance, vacation and overtime entitlements for employees who have met the service requirements stated in the collective agreement and who are still members of the civil service.		
WORKERS COMPENSATION BOARD		
Assessment re: Accidents to Government Employees	**5,704**	4,875
Less: Recoverable from other appropriations	**(5,689)**	(4,860)
	15	15
Provides for the annual payments to government employees injured at work as assessed by the Workers Compensation Board (WCB) as well as fees paid to WCB for administration of the compensation plan. The annual payments are recovered from other departments in respect of their employees.		
The province is self-insured with respect to workers compensation payments, although the WCB provides administrative and assessment services.		
CANADA PENSION PLAN	**33,775**	32,971
Provides for the employer's matching contribution as required under *The Canada Pension Plan Act* for all eligible civil servants.		
EMPLOYMENT INSURANCE PLAN	**15,892**	15,293
Provides for the employer's share of premiums as required under *The Employment Insurance Act* for all civil servants.		

	Estimates of Expenditure 2010/11 $(000s)	Estimates of Expenditure 2009/10 $(000s)
CIVIL SERVICE GROUP LIFE INSURANCE PLAN Provides for the government's share (one-third) of payments under *The Public Servants Insurance Act* that provides for basic insurance coverage, including group life and accidental death and disablement insurance, for all eligible civil servants. Life insurance is provided to employees of up to five times their annual salary, to a maximum of $1.0 million. The employer contribution is 27.5% of the first four multiples only (employee funds 100% of the fifth multiple). Accidental death and disablement insurance is 100% employer paid and is based on the employee's annual salary multiplied by class (1 to 5), as selected under the life insurance plan, up to a specified maximum.	**2,220**	2,109
DENTAL PLAN As negotiated under various collective agreements or as provided in the regulations under *The Civil Service Act*, the Dental Plan provides coverage for basic and major restorative dentistry to all eligible civil servants and their dependants, where applicable. The province is self-insured with the plan carrier (Manitoba Blue Cross) being reimbursed for payments made to government employees under the plan as well as an administrative fee. The plan pays for eligible dental care expenses, to a specified maximum, for both full-time and part-time employees. The annual basic coverage maximum is $1,475.00 and the orthodontic lifetime maximum is $1,675.00 for full-time employees. Part-time employees are eligible for family coverage based on 50% of the coverage amounts applicable for full-time employees, up to 50% of the maximum.	**8,494**	8,472
VISION CARE As negotiated under various collective agreements or as provided in the regulations under *The Civil Service Act*, the Vision Care plan provides coverage for prescription lenses and eye examinations for eligible civil servants and their dependants, where applicable. The province is self-insured with the plan carrier (Manitoba Blue Cross) being reimbursed for payments made to government employees under the plan as well as an administrative fee. Full-time employees are reimbursed 80% for eligible vision care expenses, to a maximum of $225.00 while part-time employees are reimbursed 80% for eligible vision care expenses, to a maximum of $112.50, in each 24 month period.	**1,200**	1,201

	Estimates of Expenditure 2010/11 $(000s)	Estimates of Expenditure 2009/10 $(000s)
PRESCRIPTION DRUG PLAN As negotiated under various collective agreements or as provided in the regulations under *The Civil Service Act*, the self-insured plan provides coverage for prescription drugs for eligible civil servants. The plan carrier (Manitoba Blue Cross) is reimbursed for payments made to government employees under the plan as well as an administrative fee. Full-time employees are reimbursed 80% for eligible expenses, to a maximum of $700.00 per family per calendar year, while part-time employees are reimbursed 80% for eligible expenses, to a maximum of $350.00 per family per calendar year.	**3,533**	3,660
AMBULANCE AND HOSPITAL SEMI-PRIVATE PLAN As negotiated under various collective agreements or as provided in the regulations under *The Civil Service Act*, the Supplementary Health Plan provides for an Ambulance and Hospital Semi-Private Plan to all eligible civil servants. Premium payments to the plan carrier (Manitoba Blue Cross) are made, based on the number of eligible employees. Full-time and part-time employees are eligible for coverage, although part-time employees are eligible for single coverage only. Premium payments to the plan carrier are 100% employer paid. Part-time employees may elect to increase their coverage to include family members by paying the difference between the family premium and single premium through voluntary payroll deductions.	**216**	205
LONG TERM DISABILITY (LTD) PLAN As negotiated under various collective agreements or as provided in the regulations under *The Civil Service Act*, the LTD Plan provides partial income protection to eligible full-time and part-time employees. The province is self-insured with the plan carrier (Great-West Life) being reimbursed for payments made to government employees under the plan including administrative expenses.	**5,387**	5,361
LEVY FOR HEALTH AND POST-SECONDARY EDUCATION Provides for the province's payment as required by *The Health and Post-Secondary Education Tax Levy Act*.	**21,274**	19,818

	Estimates of Expenditure 2010/11 $(000s)	Estimates of Expenditure 2009/10 $(000s)
HEALTH SPENDING ACCOUNT As negotiated, this plan provides reimbursement of eligible costs to employees when the annual maximum claim limit of other benefit plans has been exceeded. Claim maximums are $350.00 for full-time employees and $175.00 for part-time employees per year (per family). The plan is 100% employer funded.	**2,624**	1,887
RECOVERABLE FROM OTHER APPROPRIATIONS Provides for the recovery from other departments for the cost of the various employee benefits plans and related overhead charges, as well as the health spending account. Costs associated with Other Salary Related Benefits, which reflect changes in the severance, vacation, overtime and long term disability liabilities, and with the Civil Service Superannuation Plan and LTD legal costs are not recovered from departments.	**(94,615)**	(90,977)

PART 3

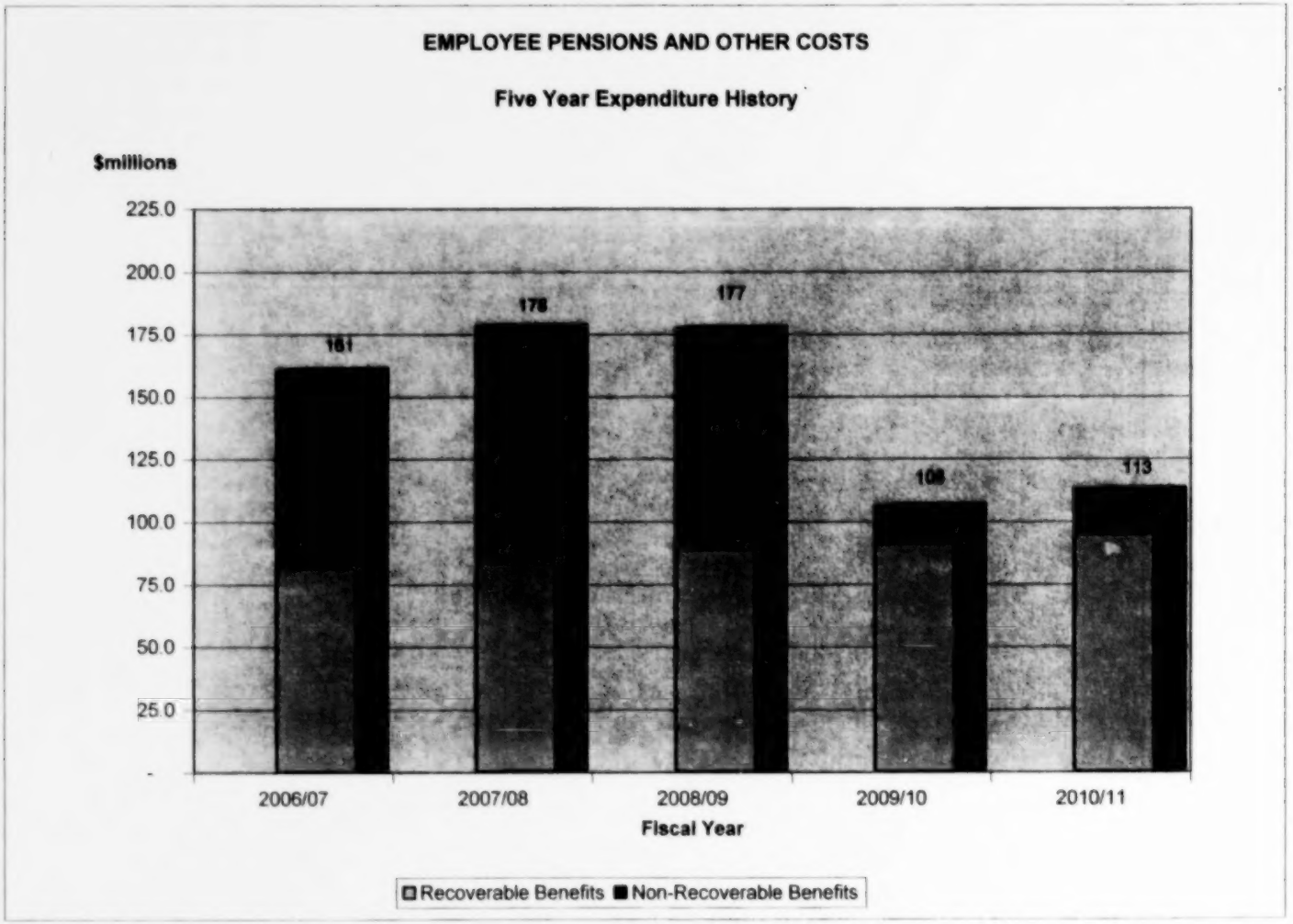
HISTORICAL INFORMATION

EMPLOYEE PENSIONS AND OTHER COSTS
FIVE YEAR EXPENDITURE SUMMARY BY SUB-APPROPRIATION
($000)
FOR YEARS ENDING MARCH 31, 2007 - MARCH 31, 2011

SUB-APPROPRIATION	ACTUAL EXPENDITURES*			ADJUSTED VOTE	ESTIMATES
	2006/07	2007/08	2008/09	2009/10	2010/11
Civil Service Superannuation Plan[1]	76,070	83,611	70,232	7,634	7,779
Other Salary Related Benefits	3,284	10,967	18,242	7,475	10,266
Workers Compensation Board [2]	0	0	2	15	15
Canada Pension Plan	28,938	29,835	32,034	32,971	33,775
Employment Insurance Plan	15,294	14,610	15,139	15,293	15,892
Group Life Insurance Plan	1,855	1,935	2,056	2,109	2,220
Dental Plan	7,122	7,442	7,895	8,472	8,494
Vision Care	1,268	1,238	1,257	1,201	1,200
Prescription Drug Plan	3,003	3,075	3,293	3,660	3,533
Ambulance and Hospital Semi-Private Plan	201	201	204	205	216
Long Term Disability Plan	4,437	4,632	4,796	5,361	5,387
Levy for Health and Post-Secondary Education	17,406	18,314	19,510	19,818	21,274
Health Spending Account	1,851	2,007	2,471	1,887	2,624
Recoverable from other Appropriations	(83,995)	(86,174)	(91,733)	(90,977)	(94,615)
TOTAL	76,734	91,693	85,398	15,124	18,060

*Adjusted figures reflect historical data on a comparable basis in those appropriations affected by reorganization during the years under review.

1. Effective April 1, 2009, departments are required to match current service contributions for all employees.
2. The amounts reflected for Workers Compensation include both assessments and recoveries.



Note: Historical information has not been restated to reflect change in allocation of the employer's share of current service contributions.

CHART 1